

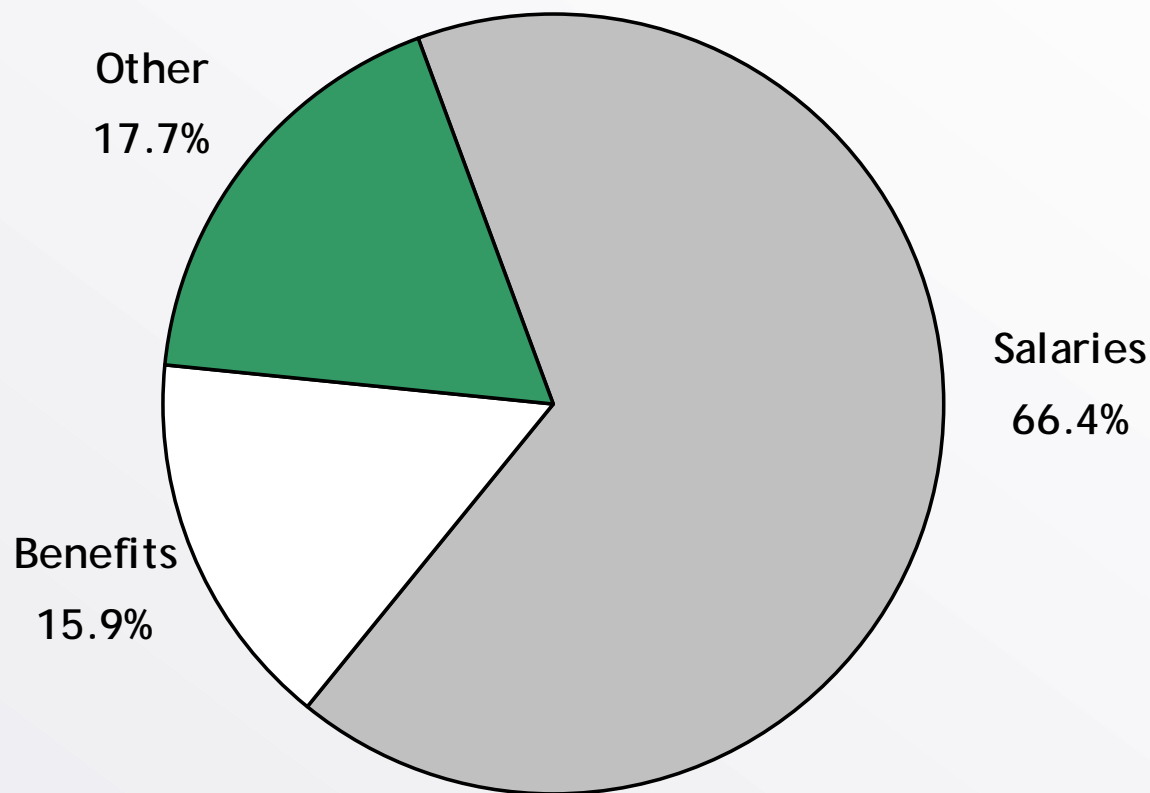
Overview of K-12 Compensation Funding

Background Materials
K-12 Advisory Committee
October 19, 2005

Compensation -- Statutes

- RCW 28A.150.100 and RCW 28A.150.250: Basic education includes the funds to compensate staff.
- RCW 28A.150.410: The Legislature must establish in the appropriations act a salary schedule to distribute funds for certificated instructional staff salaries. The funds are for allocation purposes only except the requirements of RCW 28A.400.200.
- RCW 28A.400.205 (Initiative 732): Requires a cost-of-living adjustment for all K-12 staff.

Over 80 Percent of School District Expenditures Are For Staff Salaries and Benefits



* 2003-04 School Year = \$7.4 Billion Statewide

For Distributing State Funds, The Apportionment Formula Uses a Combination of Enrollment, Staffing Ratios, Salary & Benefit Amounts, and Other Costs



There Are Three Major Types of K-12 Staff

1. *Certificated Administrative Staff*
(Superintendents, Principals, Vice Principals, etc)
2. *Classified Staff*
(Aides, Bus Drivers, Food Service, Office Workers, etc)
3. *Certificated Instructional Staff*
(Teachers, Counselors, Librarians, Nurses, etc)

Certificated Instructional Staff

The General Apportionment Formula Allocates Funding for Certificated Instructional Staff Salaries Based On Two Major Factors

- 1. The state recognized formula base salary * for the district multiplied by*
- 2. the district's staff mix factor.*

The staff mix factor is a calculation of the average education and experience of a district's teachers. This allows districts equal ability to attract and hire teachers without penalizing districts for hiring more experienced teachers.

- * Base Salary is state allocation for a CIS with a B.A. degree and zero years of experience. 34 districts are grandfathered at higher base salaries than the other districts, based on historical differences in teacher salaries (see Appendix).

The 2005-06 State Salary Allocation Schedule for Certificated Instructional Staff

K-12 Salary Allocation Schedule for Certificated Instructional Staff									MA+90
Years of	2005-06 School Year								OR
Service	<u>BA</u>	<u>BA+15</u>	<u>BA+30</u>	<u>BA+45</u>	<u>BA+90</u>	<u>BA+135</u>	<u>MA</u>	<u>MA+45</u>	<u>Ph.D.</u>
0	30,383	31,204	32,054	32,906	35,640	37,401	36,426	39,161	40,924
1	30,792	31,624	32,485	33,375	36,137	37,889	36,831	39,594	41,345
2	31,181	32,022	32,892	33,850	36,605	38,375	37,239	39,994	41,764
3	31,583	32,431	33,311	34,299	37,049	38,861	37,626	40,373	42,187
4	31,977	32,862	33,747	34,770	37,536	39,361	38,031	40,796	42,623
5	32,384	33,273	34,167	35,247	38,002	39,864	38,442	41,199	43,061
6	32,802	33,672	34,596	35,729	38,472	40,344	38,864	41,607	43,478
7	33,536	34,420	35,356	36,551	39,334	41,258	39,655	42,437	44,362
8	34,612	35,543	36,502	37,796	40,616	42,611	40,899	43,720	45,714
9		36,707	37,713	39,054	41,940	44,002	42,156	45,044	47,106
10			38,938	40,376	43,301	45,432	43,479	46,405	48,535
11				41,737	44,726	46,900	44,840	47,830	50,003
12				43,055	46,189	48,428	46,255	49,292	51,532
13	State Funded Salary Amounts				47,688	49,993	47,720	50,791	53,096
14					49,194	51,618	49,227	52,396	54,721
15					50,474	52,961	50,507	53,758	56,144
16 or more					51,483	54,019	51,517	54,833	57,266

The State Salary Allocation Schedule Reflects a 1 to 3 Percent Salary Increase For Increased Experience

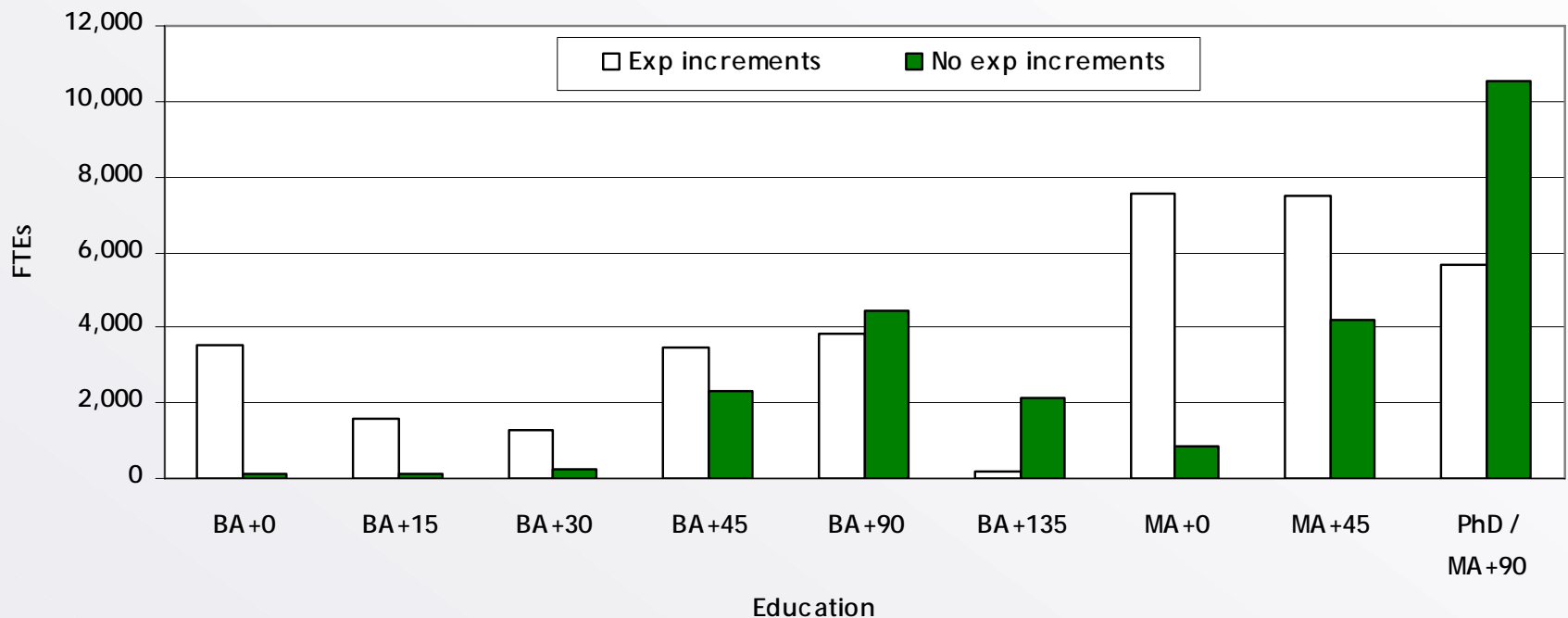
2004-05 to 2005-06 School Year:
Percentage increases for experience and 1.2% for I-732

<u>Years of Experience</u>	<u>BA</u>	<u>BA+15</u>	<u>BA+30</u>	<u>BA+45</u>	<u>BA+90</u>	<u>MA</u>	<u>MA+45</u>	<u>MA+90 Or Ph.D.</u>
0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1	2.6%	2.6%	2.6%	2.6%	2.6%	2.3%	2.3%	2.2%
2	2.5%	2.5%	2.5%	2.6%	2.5%	2.3%	2.2%	2.2%
3	2.5%	2.5%	2.5%	2.5%	2.4%	2.3%	2.2%	2.2%
4	2.5%	2.5%	2.5%	2.6%	2.5%	2.3%	2.3%	2.2%
5	2.5%	2.5%	2.5%	2.6%	2.5%	2.3%	2.2%	2.2%
6	2.5%	2.4%	2.5%	2.6%	2.4%	2.3%	2.2%	2.2%
7	3.5%	3.4%	3.4%	3.5%	3.5%	3.3%	3.2%	3.3%
8	4.4%	4.5%	4.5%	4.6%	4.5%	4.4%	4.3%	4.3%
9	1.2%	4.5%	4.6%	4.6%	4.5%	4.3%	4.3%	4.3%
10	1.2%	1.2%	4.5%	4.6%	4.5%	4.4%	4.3%	4.3%
11	1.2%	1.2%	1.2%	4.6%	4.5%	4.4%	4.3%	4.3%
12	1.2%	1.2%	1.2%	4.4%	4.5%	4.4%	4.3%	4.3%
13	1.2%	1.2%	1.2%	1.2%	4.5%	4.4%	4.3%	4.3%
14	1.2%	1.2%	1.2%	1.2%	4.4%	4.4%	4.4%	4.3%
15	1.2%	1.2%	1.2%	1.2%	3.8%	3.8%	3.8%	3.8%
16	1.2%	1.2%	1.2%	1.2%	3.2%	3.2%	3.2%	3.2%
17 or more	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%

** This is based on the state's salary schedule for certificated instructional staff. Many, but not all districts, have adopted a salary schedule exactly like or similar to the one used for allocating state funds.*

Overall, about 58 percent of teachers receive experience increments

Number of Certificated Instructional Staff Receiving Step Increments for Increased Experience, By Education Level



The Schedule Also Allows Some Teachers Who Receive A Step Increase For Additional Education To Also Receive a Step Increase For Additional Experience

2004-05 to 2005-06 School Year:

Percentage increases for education,* experience and 1.2% for I-732

Years of Experience	<u>BA</u>	<u>BA+15</u>	<u>BA+30</u>	<u>BA+45</u>	<u>BA+90</u>	<u>MA</u>	<u>MA+45</u>	<u>MA+90 Or Ph.D.</u>
0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1	N/A	5.3%	5.4%	5.4%	11.1%	4.6%	10.0%	6.8%
2	N/A	5.2%	5.3%	5.5%	11.0%	4.3%	9.9%	6.7%
3	N/A	5.3%	5.3%	5.5%	10.8%	4.0%	9.7%	6.7%
4	N/A	5.3%	5.3%	5.6%	10.7%	3.9%	9.7%	6.8%
5	N/A	5.3%	5.2%	5.7%	10.6%	3.6%	9.6%	6.8%
6	N/A	5.2%	5.2%	5.8%	10.5%	3.5%	9.5%	6.8%
7	N/A	6.2%	6.3%	6.9%	11.4%	4.3%	10.5%	7.9%
8	N/A	7.3%	7.3%	8.2%	12.5%	5.2%	11.6%	9.0%
9	N/A	7.3%	7.4%	8.3%	12.3%	5.0%	11.5%	9.0%
10	N/A	7.3%	7.4%	8.3%	12.2%	4.9%	11.4%	9.0%
11	N/A	7.3%	7.4%	8.5%	12.1%	4.8%	11.3%	9.0%
12	N/A	7.3%	7.4%	11.9%	12.0%	4.7%	11.2%	9.0%
13	N/A	7.3%	7.4%	11.9%	12.1%	4.6%	11.1%	9.0%
14	N/A	7.3%	7.4%	11.9%	15.6%	4.5%	11.1%	9.0%
15	N/A	7.3%	7.4%	11.9%	18.6%	3.9%	10.5%	8.4%
16	N/A	7.3%	7.4%	11.9%	21.0%	3.3%	9.9%	7.8%
17 or more		7.3%	7.4%	11.9%	21.0%	1.3%	7.7%	5.7%

**Percentage increases shown above assume the movement is from the next previous column; it is possible, however, to move more than one column in one year.*

For credits earned after the BA degree but before the MA degree: Any credits in excess of 45 may be counted after the MA degree.

Other Kinds of Compensation for Certificated Instructional Staff in Washington

- State-paid bonuses for teachers certified by the National Board for Professional Teaching Standards. \$3,500 per year while certification is current.
- State Teacher Assistance Program (TAP) provides for mentor teacher stipends. The stipend amount is determined by districts.
- Some districts are providing additional compensation for mentorship or curriculum leadership roles.
- Other local innovations also may be occurring. There is no statewide data source for these locally bargained incentives.

Supplemental Salaries

- In addition to the base salary provided according to locally negotiated salary schedules, school districts can provide additional pay for the following purposes:
 - Additional Time
 - Additional Responsibility
 - Incentive
- These are known as TRI contracts or supplemental contracts and are subject to local collective bargaining
- Examples include:
 - Additional professional development days
 - Coaching contracts
 - Additional pay for mentor teachers
 - Incentives for achieving certification from the National Board for Professional Teaching Standards

The Average Total Salary, Including Supplemental Contracts, For All Teachers Was \$52,057 In the 2003-04 School Year

'SUPPLEMENTAL CONTRACTS'

Average for All FTE Teachers: **\$6,358**

- ❖ Average for First Year Teachers: \$4,672
- ❖ Average for Teachers with 1-6 Years of Experience: \$5,304
- ❖ Average for Teachers with 10-16 Years of Experience: \$6,288
- ❖ Average for Teachers with 16+ Years of Experience: \$7,320

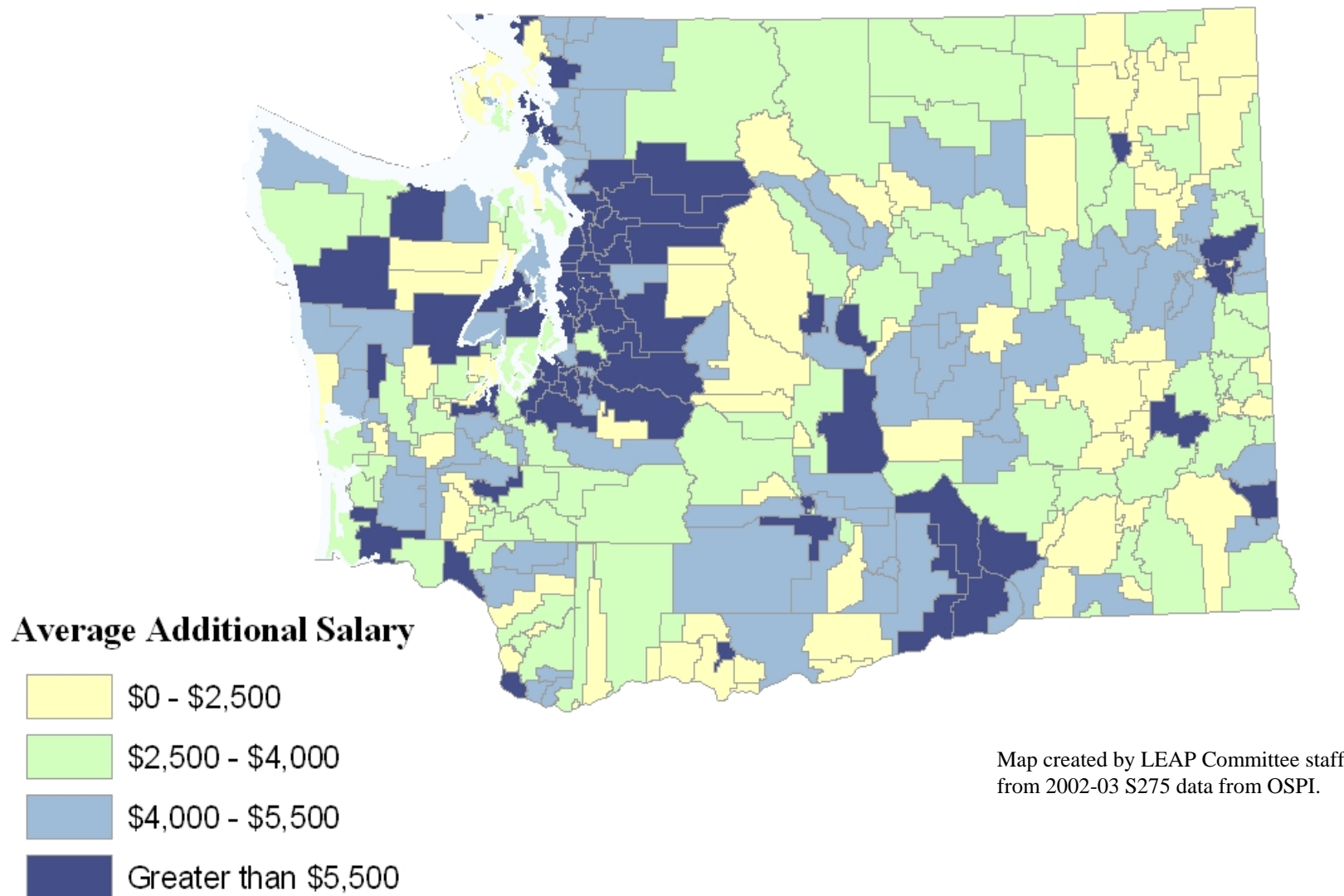
NOTE: 'Supplemental Contracts' are the calculated difference between total final salary and base salary reported to OSPI. This difference is primarily supplemental contracts, but can also include sick leave buyouts, changes to the base pay during the school year, and other adjustments.

TOTAL SALARY (Base + Supplemental):

Average All FTE Teachers: **\$ 52,057**

- ❖ Average for First Year Teachers: \$37,120
- ❖ Average for Teachers with 1-6 Years of Experience: \$40,425 (24% of all Teachers)
- ❖ Average for Teachers with 10-16 Years of Experience: \$54,900
- ❖ Average for Teachers with 16+ Years of Experience: \$61,085 (39% of all Teachers)

Most Of The Districts With The Highest Supplemental Salaries Are Concentrated In The Puget Sound Area



Certificated Administrative Staff

Salary allocations are based on historical averages

- State provides funding for state-formula staff based on each district's average administrative salaries in the 1980's, adjusted by across-the-board salary increases since then.
 - Beginning with the current school year, the legislature set a minimum salary allocation of \$45,000/FTE, to be adjusted by across-the-board salary increases.
- For 2005-06, the highest allocated salary is \$75,435, the lowest funded salary is \$45,000. For each state-funded administrative FTE:
 - 23 districts funded above \$65,000.
 - 91 districts are funded between \$55,000 and \$65,000.
 - 182 districts are funded between \$45,000 to \$55,000.
- Actual salaries are determined at the local level
 - No state salary controls on actual CAS salaries.
 - In the 2003-04 school year, the funding formulas in the state budget allocated funding at an average salary of \$52,367 and the average actual salary was \$87,856 (annualized).

Classified Staff

Salary allocations are based on historical averages

- State provides funding for state-formula staff based on each district's average classified salaries in the 1980's, adjusted by across-the-board salary increases since then.
- For 2005-06 - the highest funded salary is \$32,885, the lowest funded salary is \$21,737.
 - 6 districts funded above \$30,000.
 - 213 districts are funded between \$27,500 and \$30,000.
 - 65 districts are funded between \$25,000 and \$27,500.
 - 12 districts are funded below \$25,000.
- Actual salaries are determined at the local level
 - No state salary controls on actual classified salaries.
 - In the 2003-04 school year, the funding formulas in the state budget allocated funding at an average salary of \$27,851 and the average actual salary was \$33,131 (annualized).

Health Benefits

As With Salaries, Local Collective Bargaining Plays A Major Role In K-12 Employee Health Care Coverage

- The state allocates health benefits to school districts as a flat amount per full time equivalent staff.
- In the 2005-06 school year, the state allocated \$629 per month per state funded full time equivalent staff.
- The actual amounts districts and employees spend on health benefits are the result of local bargaining and individual health coverage decisions.
- Employee premiums, employee co-pays, and the benefit packages are all subject to local bargaining.

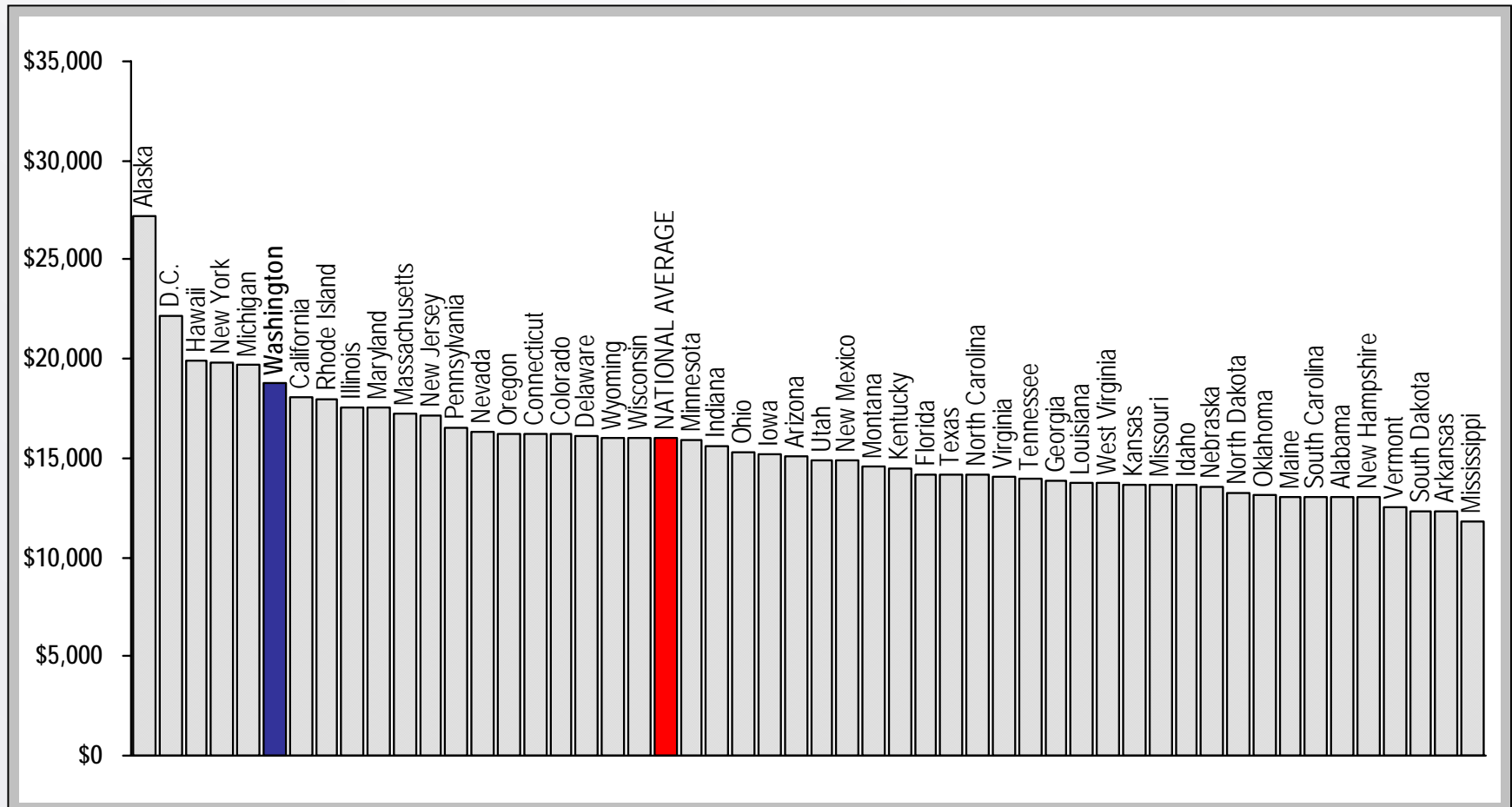
Appendix

Certificated Instructional Staff Base Salaries for School Year 2005-06

Grandfathered Districts Compared to All Other Districts

		Total	% Over			Total	% Over
		Base Salary	"All Other"			Base Salary	"All Other"
1	Everett	32,310	6.3%	18	Eatonville	30,623	0.8%
2	Orondo	32,247	6.1%	19	Taholah	30,601	0.7%
3	Northshore	32,062	5.5%	20	Green Mountain	30,593	0.7%
4	Marysville	31,967	5.2%	21	Benge	30,592	0.7%
5	Puyallup	31,403	3.4%	22	Darrington	30,592	0.7%
6	Vader	31,392	3.3%	23	Evaline	30,585	0.7%
7	Shaw Island	31,370	3.2%	24	Loon Lake	30,585	0.7%
8	Southside	31,247	2.8%	25	Thorp	30,560	0.6%
9	Lake Chelan	31,235	2.8%	26	Wenatchee	30,553	0.6%
10	Mukilteo	31,149	2.5%	27	Lake Washington	30,535	0.5%
11	Lopez Island	31,116	2.4%	28	Bellevue	30,465	0.3%
12	Seattle	30,990	2.0%	29	Centerville	30,457	0.2%
13	Oak Harbor	30,982	2.0%	30	Port Townsend	30,456	0.2%
14	Edmonds	30,751	1.2%	31	Sumner	30,440	0.2%
15	McCleary	30,735	1.2%	32	Kelso	30,430	0.2%
16	Eastmont	30,706	1.1%	33	Toppenish	30,409	0.1%
17	Boistfort	30,660	0.9%	34	Cosmopolis	30,408	0.1%
All Other Districts				\$30,383			

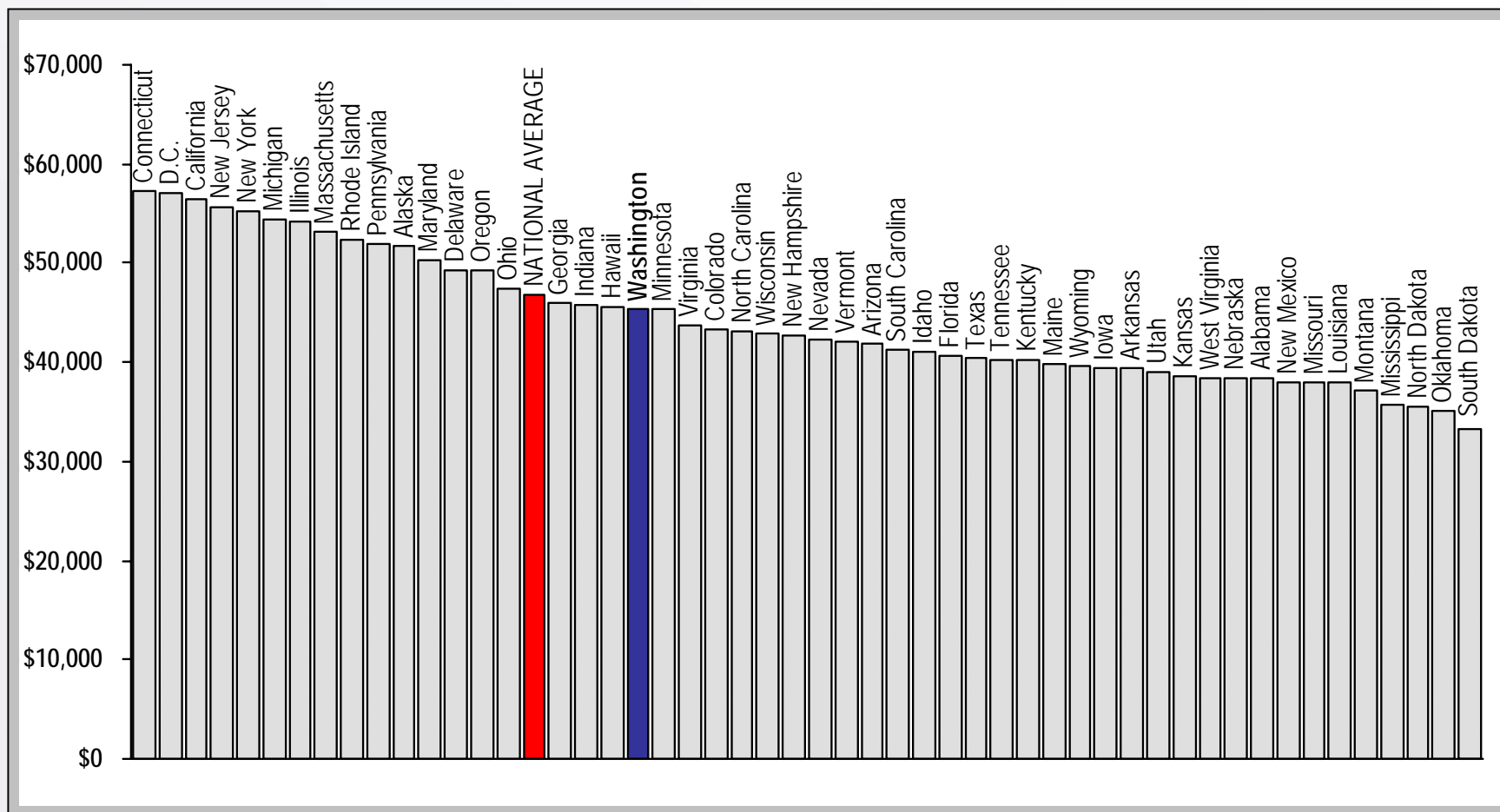
In 1979-80, Washington ranked 6th for average teacher salary. Washington was \$2,850 above the national average of \$15,970



Source: National Education Association

Source: National Education Association.

In 2003-04, Washington ranked 19th for average teacher salary. Washington was \$1,318 below the national average of \$46,752



Source: National Education Association.

From 1992 Through 2006, Salary Increases For State-Formula Staff Corresponded To One Measure of Inflation, But Lagged Another

School Year	Certificated Instructional Staff	Administrators* and Classified Staff	Fiscal Year Implicit Price Deflator	Fiscal Year Seattle Consumer Price Index
1991-92	4.0%	4.0%	3.0%	4.0%
1992-93	3.0%	3.0%	2.7%	3.3%
1993-94	0.0%	0.0%	2.0%	2.9%
1994-95	0.0%	0.0%	2.4%	3.5%
1995-96	4.0%	4.0%	2.0%	2.8%
1996-97	0.0%	0.0%	2.1%	4.0%
1997-98	3.0%	3.0%	1.1%	2.9%
1998-99	0.0%	0.0%	1.1%	2.9%
1999-00	6.4% **	3.0%	2.3%	3.2%
2000-01	3.0%	3.0%	2.3%	4.0%
2001-02	3.7%	3.7%	1.5%	2.7%
2002-03	3.6%	3.6%	1.9%	1.8%
2003-04	0.4% ***	0.0%	1.9%	1.3%
2004-05	0.4% ***	1% ***	2.4%	2.1%
2005-06	<u>1.2%</u>	<u>1.2%</u>	<u>2.2%</u>	<u>3.3%</u>
Cumulative	37.8%	33.7%	35.7%	55.5%

Notes:

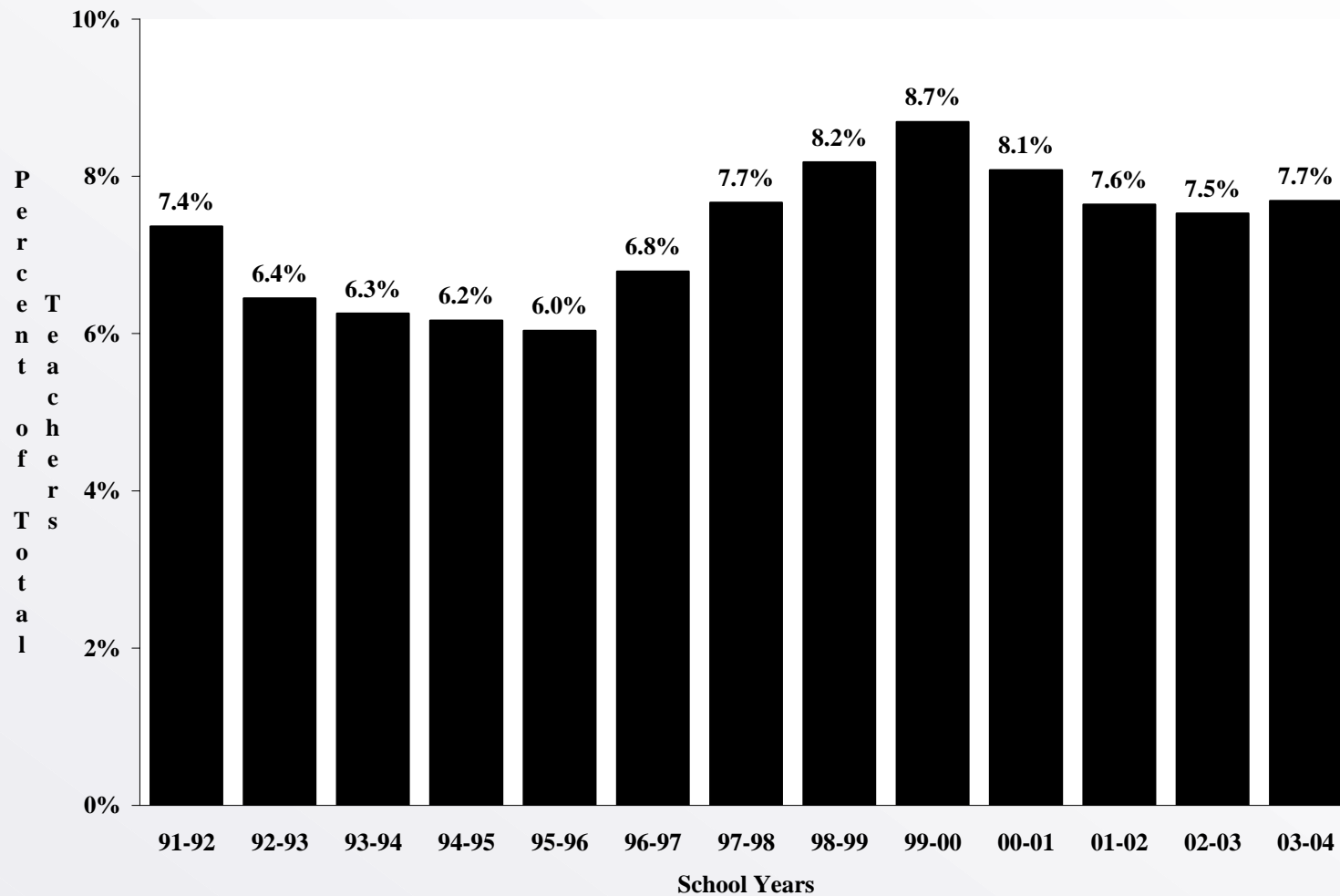
* In 1994 and in 1996, a reduction was made to administrator salary allocations. These are not included in the calculations.

** 1999-00 salary increases for CIS included a 3% across-the-board, additional increases for beginning and experienced teachers, and three learning improvement days added to the salary schedule. The average increase was 6.4%.

*** 2003-04 and 2004-05 salary increases for CIS are for teachers in their first seven years of teaching, and range from 3 percent each year for those in their first and second years to 0.5 percent for those in their sixth and seventh years.

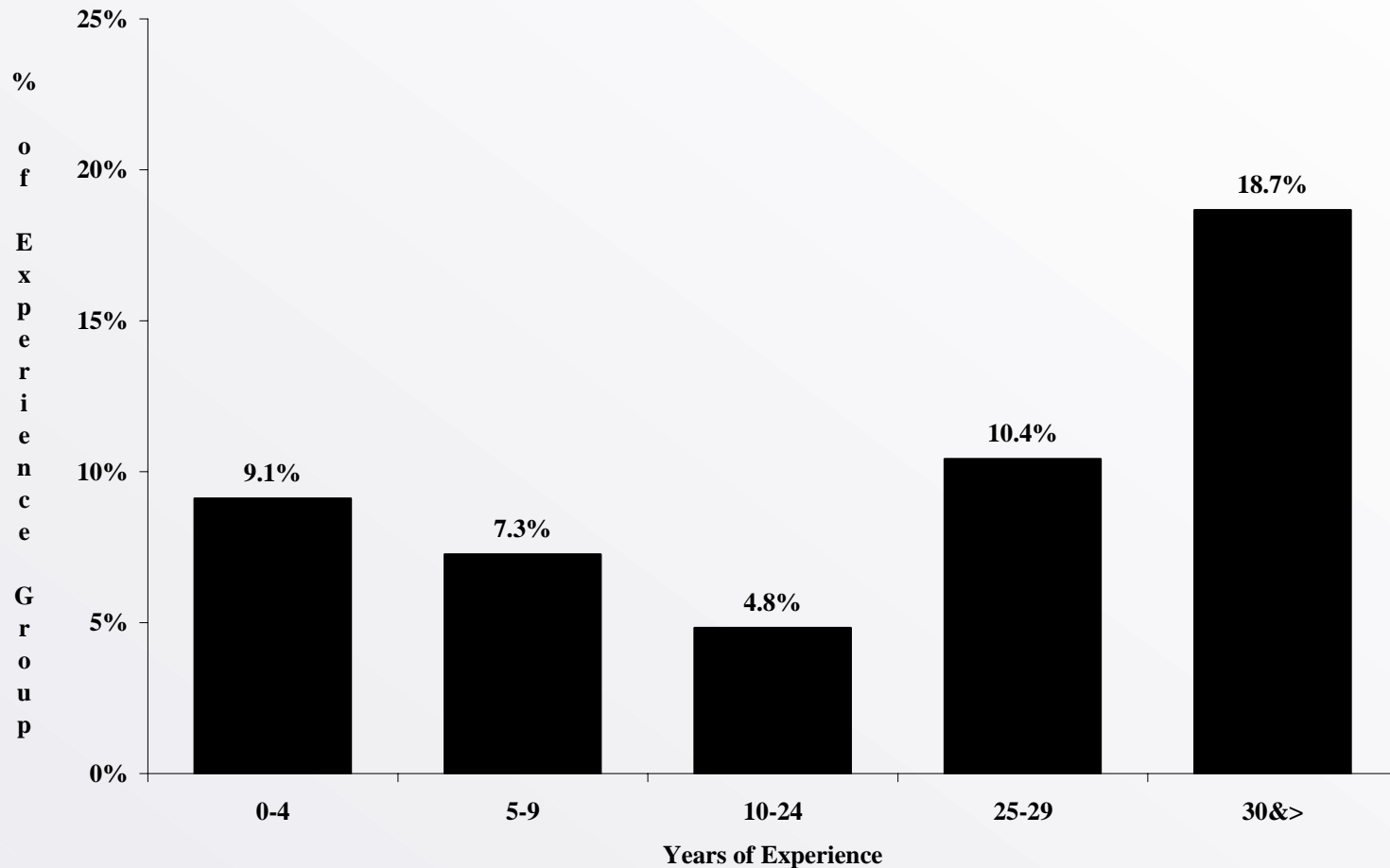
*** The 1 percent increase in 2004-05 is for classified staff only.

Since 1992, Teacher Attrition Has Varied From 6 Percent To 8.7 Percent



Source: Reflects Washington state data compiled by the LEAP Office.

Teachers Leave At Higher Rates In The Early and Latter Part Of Their Careers



Source: Reflects Washington state data for the 2003-04 school year compiled by the LEAP Office.